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C O N F I D E N T I A L LA PAZ 003268

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TAGS: [PHUM](#) [PGOV](#) [PREL](#) [ASEC](#) [BL](#)
SUBJECT: EU OBSERVED TALKS UNLIKELY TO PRODUCE DEAL

Classified By: EcoPol Chief Mike Hammer for reasons 1.4 (b) and (d).

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Summary
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¶1. (C) Both the European Union (EU) and the Organization of American States (OAS) have expressed a willingness to send observers to talks between President Evo Morales and the prefects of Bolivia's opposition-led departments (states). OAS representative Raul Alconada, in a meeting with local ambassadors, noted that neither the government nor the opposition appears poised to cede any ground to the other. Without a clear agenda most in the diplomatic community acknowledge that talks are doomed to fail. Even with a clear agenda, it is not certain that Evo is firmly committed to more than a repetition of known positions. The President likely sees "internationally observed" talks with the opposition as means to bolster his slightly tarnished image and add legitimacy to his Movement Toward Socialism (MAS) party's recent extra-legal maneuvers in the Constituent Assembly and Congress. When the talks fail, the likely outcome, President Morales can be expected to return to his attack on the opposition prefects and lay the blame squarely on them. Even if Evo derails the dialogue, Bolivia's regional neighbors will likely not be openly critical of him, so he has little to lose by opening up talks. End Summary

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Europeans Offer to Observe Talks
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¶2. (C) Following a meeting between European Union (EU) Ambassadors and Cochabamba Prefect Manfred Reyes Villa, where Reyes Villa encouraged the EU to serve as observers at talks between the president and prefects, the EU Ambassadors met with President Evo Morales at 10:00 PM December 14. Presidential Spokesperson Alex Contreras characterized the meeting as positive and opened the possibility that the government would be willing to have international (at least European) observers participate in meetings between the

president and opposition prefects. Contreras stated that "they (the EU Ambassadors) might be observers in a possible dialogue between the prefects and President Evo Morales." According to the British Ambassador Evo did respond to the European's overture and the Dutch Ambassador passed on Evo's offer to meet the prefects December 19 to Reyes Villa. The Cochabamba Prefect apparently reacted positively and said he would talk with his opposition prefect colleagues and would let the EU know their response.

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The Hemispheric View
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13. (C) OAS representative Raul Alconada brought together hemispheric Ambassadors December 17 to brief them on his discussions with the Bolivian government and the opposition as well as the OAS' efforts to bring the two sides together. Alconada said that he found both sides entrenched, neither with a willingness to compromise. He made clear that his mission is to observe, not mediate.

14. (C) There was consensus amongst the hemisphere ambassadors that the EU's offer to broker a meeting between President Morales and opposition prefects would go nowhere unless there was an agenda of the most salient points. The ambassadors discussed whether the OAS could play a role in trying to establish such an agenda. Alconada said he would discuss this possibility and follow-up steps with OAS Secretary General Insulza.

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15. (C) The Chilean Consul General (CG) spoke briefly to our Ambassador regarding discussions between Chile's President Bachelet, Brazil's President Da Silva's and President Morales. The Chilean and Brazilian presidents arrived December 16 to sign agreements on gas investments and a transnational roadway project to link the Brazilian Atlantic coast with Chile's pacific coast via Bolivia. The CG said that Bachelet and Lula did discuss Bolivia's internal situation with Evo "offering advice," but that the Evo showed no signs that he would bend to opposition demands. (Comment: Bilateral and trilateral issues dominated the Presidents' agenda, and it seems internal Bolivian domestic turmoil was likely not a top priority for the Chileans and Brazilians. End Comment).

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Latin Americans Attend Evo's Rally, EU Passes
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16. (C) All of the Latin American countries accepted the government's invitation to attend its December 15 rally celebrating the MAS' approval of a new draft constitution. The Peruvian and Chilean delegations were apparently conflicted, but especially the Chilean Consul General felt he could not reject the invitation given the impending Bachelet visit. None of the EU countries attended, arguing (as they told President Morales directly on December 14) that it was a political event, not an affair of state. We did not send anyone for similar reasons.

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Comment
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17. (C) Evo's agreement to allow international observation for meetings between him and opposition prefects is smart public relations. With international observers, the opposition prefects may finally take up Evo's offer to dialogue, an offer the prefects have to date viewed as a cynical ploy by the government to whitewash recent undemocratic maneuvers by Morales' MAS party. The possibility of a real breakthrough between Evo and the opposition is likely very low as neither side trusts the other. Evo will almost certainly use the talks for public relations purposes. Once the talks break down, which they

probably will, Morales will once again go on the offensive lashing out the opposition for "derailing the talks that he offered and attended in good faith."

18. (C) Observing upcoming referenda could possibly be far more important a role for the OAS and EU than participating in what will likely be fruitless talks between the president and prefects. OAS (or EU) observers in upcoming referenda is critical to ensuring that the electoral court -- which is likely to be stacked by Evo appointees in January 2008 -- delivers fair elections in 2008. Without observers fraud could be likely as there will be no checks on the electoral system and Venezuela funding is all but a certainty. Unfortunately, OAS representative Raul Alconada made no mention of OAS serving in such a role. End Comment.
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